



General Assembly

February Session, 2016

***Raised Bill No. 408***

LCO No. 2063



Referred to Committee on BANKING

Introduced by:  
(BA)

***AN ACT CONCERNING THE PROTECTION OF DELINQUENT  
HOMEOWNERS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-146 of the 2016 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective from passage*):

4 (a) Unless the context otherwise requires, wherever used in this  
5 section, "tax" includes each property tax and each installment and part  
6 thereof due to a municipality as it may have been increased by interest,  
7 fees and charges. If any tax due in a single installment or if any  
8 installment of any tax due in two or more installments is not paid in  
9 full (1) on or before the first day of the month next succeeding the  
10 month in which it became due and payable, or if not due and payable  
11 on the first day of the month, (2) on or before the same date of the next  
12 succeeding month corresponding to that of the month on which it  
13 became due and payable, the whole or such part of such installment as  
14 is unpaid shall thereupon be delinquent and shall be subject to interest  
15 from the due date of such delinquent installment. Except for unpaid

16 real estate taxes the collection of which was, or is, deferred under the  
17 provisions of section 12-174, and any predecessor and successor  
18 thereto, which unpaid real estate taxes continue to be subject to the  
19 provisions of such deferred collection statutes, the delinquent portion  
20 of the principal of any tax shall be subject to interest at the rate of  
21 eighteen per cent per annum from the time when it became due and  
22 payable until the same is paid or until a lis pendens is recorded in  
23 accordance with subsection (b) of this section, subject to a minimum  
24 interest charge of two dollars per installment which any municipality,  
25 by vote of its legislative body, may elect not to impose, and provided,  
26 in any computation of such interest, under any provision of this  
27 section, each fractional part of a month in which any portion of the  
28 principal of such tax remains unpaid shall be considered to be  
29 equivalent to a whole month. Each addition of interest shall become,  
30 and shall be collectible as, a part of such tax. Interest shall accrue at  
31 [said rate until payment of such taxes due] the applicable rate,  
32 notwithstanding the entry of any judgment in favor of the  
33 municipality against the taxpayer or the property of the taxpayer. The  
34 collector shall apply each partial payment to the wiping out of such  
35 interest before making any application thereof to the reduction of such  
36 principal. If any tax, at the time of assessment or because of a  
37 subsequent division, represents two or more items of property, the  
38 collector may receive payment in full of such part of the principal and  
39 interest of such tax as represents one or more of such items, even  
40 though interest in full on the entire amount of the principal of such tax  
41 has not been received up to the date of such payment; in which event,  
42 interest on the remaining portion of the principal of any such tax shall  
43 be computed, as the case may be, from the due date of such tax if no  
44 other payment after delinquency has been made or from the last date  
45 of payment of interest in full on the whole amount or unpaid balance  
46 of the principal of such delinquent tax if previous payment of interest  
47 has been made. Each collector shall keep a separate account of such  
48 interest and the time when the same has been received and shall pay  
49 over the same to the treasurer of the municipality of the collector as a

50 part of such tax. No tax or installment thereof shall be construed to be  
51 delinquent under the provisions of this section if (A) such tax or  
52 installment was paid through a municipal electronic payment service  
53 within the time allowed by statute for payment of such tax or  
54 installment, or (B) the envelope containing the amount due as such tax  
55 or installment, as received by the tax collector of the municipality to  
56 which such tax is payable, bears a postmark showing a date within the  
57 time allowed by statute for the payment of such tax or installment.  
58 Any municipality may, by vote of its legislative body, require that any  
59 delinquent property taxes shall be paid only in cash or by certified  
60 check or money order. Any municipality adopting such requirement  
61 may provide that such requirement shall only be applicable to  
62 delinquency exceeding a certain period in duration as determined by  
63 such municipality. Any municipality shall waive all or a portion of the  
64 interest due and payable under this section on a delinquent tax with  
65 respect to a taxpayer who has received compensation under chapter  
66 968 as a crime victim.

67 (b) Upon the filing of a lis pendens on the land records of a  
68 municipality giving notice of the intention to commence an action to  
69 foreclose a lien relative to one-to-four family residential real estate  
70 located in the municipality, the applicable rate of interest that is to be  
71 applied to delinquent taxes on such real property pursuant to  
72 subsection (a) of this section shall change to twelve per cent per  
73 annum. Interest will continue to accrue at that rate, in the manner  
74 described in subsection (a) of this section, until the tax attributable to  
75 said residential real estate is paid.

76 Sec. 2. Section 12-195h of the general statutes is repealed and the  
77 following is substituted in lieu thereof (*Effective from passage*):

78 Any municipality, by resolution of its legislative body, as defined in  
79 section 1-1, may assign, for consideration, any and all liens filed by the  
80 tax collector to secure unpaid taxes on real property as provided under  
81 the provisions of this chapter. The consideration received by the

82 municipality shall be negotiated between the municipality and the  
 83 assignee. The assignee or assignees of such liens shall have and possess  
 84 the same powers and rights at law or in equity as such municipality  
 85 and municipality's tax collector would have had if the lien had not  
 86 been assigned with regard to the precedence and priority of such lien,  
 87 the accrual of interest and the fees and expenses of collection and of  
 88 preparing and recording the assignment, provided, however, that with  
 89 respect to unpaid interest, the assignee shall only have the right to  
 90 collect accrued interest as of the date of the assignment, after which  
 91 interest shall no longer accrue pursuant to section 12-146, as amended  
 92 by this act. The assignee shall have the same rights to enforce such  
 93 liens as any private party holding a lien on real property including, but  
 94 not limited to, foreclosure and a suit on the debt. The assignee, or any  
 95 subsequent assignee, shall provide written notice of an assignment, not  
 96 later than thirty days after the date of such assignment, to any holder  
 97 of a mortgage, on the real property that is the subject of the  
 98 assignment, provided such holder is of record as of the date of such  
 99 assignment. Such notice shall include information sufficient to identify  
 100 (1) the property that is subject to the lien and in which the holder has  
 101 an interest, (2) the name and addresses of the assignee, and (3) the  
 102 amount of unpaid taxes, interest and fees being assigned relative to the  
 103 subject property as of the date of the assignment.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-146
Sec. 2	<i>from passage</i>	12-195h

**Statement of Purpose:**

To protect delinquent homeowners by reducing interest rates.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*